

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE COUNTY OF LYON,)	
THE LYON COUNTY WATER DISTRICT, AND THEIR)	
REQUEST FOR A CERTIFICATION OF PUBLIC)	CASE NO.
CONVENIENCE WAIVER AND NECESSITY AS WELL)	93-222
AS A WAIVER FOR THE APPROVAL OF THE)	
FINANCING ARRANGEMENTS FOR SAME)	

O R D E R

On June 23, 1993, the Commission received a petition of the Lyon County Water District ("District") requesting a waiver of the requirements for a Certificate of Public Convenience and Necessity and approval of the financing for a water works construction project.

In support of its petition, the District cites that the cost of the proposed project does not exceed 10 percent of the value of the existing property, plant, and equipment and that the proposed project constitutes an extension in the ordinary course of business as set forth in 807 KAR 5:001, Section 9(3).

The estimated cost of the proposed project is \$150,000. Financing for the project consists of a loan from the Kentucky Association of Counties Leasing Trust ("KACLT") in the amount of \$114,000 and customer contributions in the amount of \$36,000.

Based upon the foregoing, the Commission finds that:

1. The Commission does not presume that a new construction project of less than 10 percent of the net investment of a utility

does not materially alter the existing financial condition of the utility.

2. A loan of \$114,000 will materially alter the financial condition of the utility.

3. The proposed construction is not in the ordinary course of business.

4. The petition does not contain the terms of the loan from KACLT regarding the time period for repayment. Pursuant to KRS 278.300, no utility may issue any notes without approval of the Commission unless they are payable at periods of not more than two years from the date of issuance or renewable from time to time, not exceeding the aggregate of six years from the date of issue.

IT IS THEREFORE ORDERED that:

1. The District's request for a waiver from the requirement of a Certificate of Public Convenience and Necessity for the proposed construction is hereby denied.

2. The District's request for a waiver from the requirement of Commission approval of the financing for the proposed construction project is hereby denied.

Done at Frankfort, Kentucky, this 12th day of August, 1993.

ATTEST:

Don Mills
Executive Director

PUBLIC SERVICE COMMISSION

B. L. D. D.
Chairman

Thomas H. D.
Vice Chairman

Robert M. D.
Commissioner